

SUMMARY ANALYSIS OF AMENDED BILL

Author: Padilla Analyst: Angela Raygoza Bill Number: SB 1008
 Related Bills: See Prior Analysis Telephone: 845-7814 Amended Date: August 19, 2010
 Attorney: Patrick Kusiak Sponsor: _____

SUBJECT: Limited Partnerships & Foreign Limited Partnerships/Engineers & Land Surveyors

DEPARTMENT AMENDMENTS ACCEPTED. Amendments reflect suggestions of previous analysis of bill as introduced/amended _____.

☒ AMENDMENTS IMPACT REVENUE. A new revenue estimate is provided.

AMENDMENTS DID NOT RESOLVE THE DEPARTMENTS CONCERNS stated in the previous analysis of bill as introduced/amended _____.

FURTHER AMENDMENTS NECESSARY.

DEPARTMENT POSITION CHANGED TO _____.

REMAINDER OF PREVIOUS ANALYSIS OF BILL AS AMENDED

☒ March 15, and April 28, 2010, STILL APPLIES.

☒ OTHER – See comments below.

SUMMARY

This bill would authorize licensed engineers and land surveyors to organize and operate as limited liability partnerships (LLPs), and require engineers and land surveyors organizing as LLPs to maintain insurance liability coverage.

SUMMARY OF AMENDMENTS

The August 19, 2010, amendments would add urgency language to the bill.

As a result of the August 19, 2010, amendments, the “Effective/Operative Date” and “Economic Impact” discussions, as provided in the department’s analysis of the bill as amended March 15, 2010, and April 28, 2010, have been revised. The remainder of that analysis still applies. The “This Bill” discussion has been provided below for convenience.

Board Position:

_____ S _____ NA _____ NP
 _____ SA _____ O _____ NAR
 _____ N _____ OUA ☒ PENDING

Asst. Legislative Director

Date

Patrice Gau-Johnson

8/27/10

EFFECTIVE/OPERATIVE DATE

Because this bill is an urgency measure, it would be effective immediately upon enactment, operative as of the enactment date and before January 1, 2016, and as of that date would be repealed, and existing law would be reinstated.

ANALYSIS

THIS BILL

This bill would allow civil, electrical, or mechanical engineers and land surveyors to organize and operate as LLPs. This authority would be repealed as of January 1, 2016. However, the bill does not include provisions that cancel any LLPs that were created or registered by civil, electrical, or mechanical engineers or land surveyors from January 1, 2011, to January 1, 2016. As a result, LLPs created or registered by civil, electrical, or mechanical engineers or land surveyors during that period would continue to be required to pay the \$800 annual tax to Franchise Tax Board until the legal existence of the entity is extinguished.

ECONOMIC IMPACT

Revenue Estimate

This bill would result in the following revenue losses:

Estimated Revenue Impact of SB1008 Operative October 1, 2010 Enactment Assumed By September 30, 2010 (\$ in Millions)				
2010-11	2011-12	2012-13	2013-14	2014-15
-\$0.2	-\$0.7	-\$1.4	-\$2.0	-\$2.4

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